

EXHIBIT G

TRAVELERS

HANDBOOK FOR EMPLOYEES

A GUIDE TO
POLICIES, PROGRAMS
AND PRACTICES





August, 2002

Dear Colleague:

Travelers has a long record of accomplishments and we are pleased that you are a part of our success. We have a solid foundation which provides us with great opportunities to continue our growth and profitability.

Travelers is an industry leader for many reasons, including our excellent financial results and our quality financial ratings, but chiefly because of the dedication and commitment of our employees and their collective drive to be the best. The entrepreneurial spirit that exists at Travelers has enabled us to accomplish many exciting things, and has also positioned us to be a leader for years to come. I am confident that with continued hard work and contributions from all our employees, all our future goals are attainable.

Sincerely,



Robert Lipp
Chairman
Travelers Property Casualty

The information in this Handbook is intended to be a general summary of some of the policies and benefits of Travelers and its affiliated companies. The Company, for any reason, may unilaterally, in its sole discretion, create, amend, supplement, modify or eliminate any benefits, rules or policies without prior notice to employees, except for the Employment Arbitration Policy. The Company, for any reason, may unilaterally, in its sole discretion, create, amend, supplement, modify, or eliminate the Employment Arbitration Policy. Any such change to the Arbitration Policy shall be effective 30 days after you receive notice of such change. In the event of any question or conflict between the brief overview of benefits in this Handbook, the information in the Summary Plan Descriptions or the Plan documents themselves, the respective formal plan documents and current laws shall govern. The Company also reserves the right to modify or cancel benefit programs, premiums and/or contributions and coverage continuation at any time without prior notice to participants.

This Handbook does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Notwithstanding any statements in this Handbook, employment at Travelers is a voluntary relationship for no definite period of time and either you or Travelers may terminate the relationship at any time with or without reason. No Travelers manager or other employee at the Company has the authority to make a commitment of guaranteed or continued employment to you and no Travelers publication should be understood to make any such commitment.

NOTHING IN THIS HANDBOOK CONSTITUTES AN EXPRESSED OR IMPLIED CONTRACT OF EMPLOYMENT FOR ANY DEFINITE PERIOD OF TIME. TRAVELERS RETAINS THE RIGHT TO DECREASE AN EMPLOYEE'S COMPENSATION AND/OR BENEFITS, TRANSFER, TERMINATE OR DEMOTE AN EMPLOYEE, OR OTHERWISE CHANGE THE TERMS OR CONDITIONS OF ANY EMPLOYEE'S EMPLOYMENT WITH THE COMPANY.

IMPORTANT. THIS HANDBOOK CONTAINS A PROVISION WHICH REQUIRES YOU TO SUBMIT EMPLOYMENT RELATED DISPUTES TO BINDING ARBITRATION. PLEASE READ IT CAREFULLY. NO OTHER PROVISION IN THIS HANDBOOK IS INTENDED TO CONSTITUTE A WAIVER, NOR SHOULD BE CONSTRUED TO CONSTITUTE A WAIVER, OF THE COMPANY'S RIGHTS TO COMPEL ARBITRATION OF EMPLOYMENT RELATED DISPUTES.

If you have any questions as to the interpretation or application of any information in this Handbook, you are encouraged to discuss them with your manager or your Human Resources representative.

2. GETTING YOUR CONCERNS ADDRESSED

Misunderstandings or conflicts can arise in any organization. To maintain effective and efficient working relations, it is important that such matters be resolved before serious problems develop. The Company has developed an impartial and objective process for investigating and resolving employment disputes to ensure that all employees have the opportunity to identify and communicate concerns early.

THE FOLLOWING ARE ADDRESSED IN THIS SECTION:

1. Resolution of Employee Concerns and Complaints
2. Internal Dispute Resolution Procedure
3. Travelers Employment Arbitration Policy
4. Employee Infoline

We believe that any employment-related issues which may arise can be resolved fairly and quickly through these alternative dispute resolution procedures.

1. RESOLUTION OF EMPLOYEE CONCERNS AND COMPLAINTS

Our procedures are divided into two parts. First, an internal procedure, the *Internal Dispute Resolution Procedure*, which allows you to seek review of any decision regarding your employment or termination of your employment which you think is unfair. Second, in the unusual situation when this procedure does not fully resolve an employment-related dispute, you and we agree that within one year of the date the dispute arose, any remaining disputes must be submitted to binding arbitration.

2. INTERNAL DISPUTE RESOLUTION PROCEDURE (IDR)

Most disputes resolve themselves through open and timely discussions with your Manager. However, should a situation persist that you believe needs resolution, the procedure described in Appendix B may be used to bring the complaint to management's attention in a more formal way. The procedure provides you with an objective and fair way to have your concerns addressed. The process includes review and appeal steps to ensure a thorough and fair review. This internal process is designed to help you communicate effectively with your manager regarding your concerns. Contact your Manager or Department Human Resources Representative for more information.

3. TRAVELERS EMPLOYMENT ARBITRATION POLICY

If the Internal Dispute Resolution Procedure does not resolve the concern, the dispute may be submitted to binding arbitration in accordance with Travelers Employment Arbitration Policy. Arbitration is an essential element of your employment relationship and is a condition of your employment. Please see Appendix C of this handbook for a detailed description of Travelers Insurance Employment Arbitration Policy. If you have any questions, contact your Manager or Human Resources Representative.

4. EMPLOYEE INFOLINE

We, at the Company, place a high value on honest and ethical business behavior. As a means of demonstrating our commitment to supporting our employees' personal and professional integrity, we have created *Employee Infoline*. The *Employee Infoline* is a generic Company-wide 800 phone number that will enable employees to confidentially or anonymously voice their concerns, raise questions, and/or ask any business, moral or ethical questions that may arise in the course of their business day. The *Employee Infoline* provides an alternative in instances where employees prefer to voice their concerns outside normal management channels.

Employee Infoline
1-800-842-9597

APPENDIX B: TRAVELERS INTERNAL DISPUTE RESOLUTION PROCEDURE

Travelers is committed to fair and equitable employment practices. We recognize that misunderstandings or conflicts can and do arise in the course of daily business relationships. While most situations resolve themselves naturally, there are times when an employee may wish to seek review of an employment-related action or decision. The Dispute Resolution Procedure is an impartial process by which employees may request resolution of any employment-related concern.

STEP 1: Employees are encouraged to first discuss informally any concern they have with their immediate manager prior to initiating a formal review. However, if this discussion is not successful from the employee's point of view, the concern should be submitted in writing within thirty (30) calendar days of the incident to their manager with a copy to their Human Resources Representative. The manager has twenty (20) working days to investigate the claim and respond to the employee in writing.

STEP 2: If the employee is not satisfied with the response in Step 1, he/she may submit an appeal to the next level manager within ten (10) working days of receiving an answer from Step 1, with a copy to the Human Resources Representative. A written response is given to the employee within twenty (20) working days after the discussion.

STEP 3: If the employee is not satisfied with the response in Step 2, he/she may submit an appeal to the appropriate Senior Manager in the business unit within ten (10) working days of receiving an answer from step 2, with a copy to the Senior Human Resources Manager in the business unit. The Senior Manager will consult with the Senior Human Resources Manager. At the conclusion of this step, the parties shall agree that all facts, evidence, information, etc. relating to the dispute have been brought forward. The Senior Manager shall issue a written response to the employee within twenty (20) working days after the discussion.

STEP 4: If the employee is not satisfied with the response in Step 3, he/she may submit an appeal to the Senior Vice President, Human Resources, within ten (10) working days of receiving an answer from Step 3.

The employee will receive a written response within twenty (20) working days from receipt of the appeal. This step is the final level of appeal in the Internal Dispute Resolution Procedure.

If the dispute is still not resolved after Step 4, and the claim is based upon legally protected rights (i.e. statutory, contractual or common law rights), the employee is entitled to request arbitration in accordance with the Travelers Employment Arbitration Policy. The only disputes not covered by the Policy are claims that an employee or former employee may have regarding workers' compensation or unemployment compensation benefits. Nothing in this Policy shall prevent either party from seeking from any court of competent jurisdiction injunctive relief in aid of arbitration. The Policy does not exclude the National Labor Relations Board from jurisdiction over disputes covered by the National Labor Relations Act. Similarly, this Policy does not exclude the jurisdiction of the Equal Employment Opportunity Commission (the "EEOC") and/or state and local human rights agencies to investigate alleged violations of the laws enforced by the EEOC and/or these agencies.

TERMINATION

An employee may appeal a termination within thirty (30) calendar days. The appeal will automatically progress to Step 3 of the process.

FIELD OPERATIONS

At times it may be impractical to arrange face-to-face meetings within the specified time limits of the program. In these circumstances, the Employee Relations Unit may make modifications to the process as necessary and appropriate.

EXCEPTIONS

The existing procedures for reporting alleged incidents of sex discrimination (including sexual harassment), racial discrimination, age discrimination, disability discrimination and other illegal forms of discrimination will remain in place to provide the maximum confidentiality and privacy. Such complaints may be raised directly to the department Human Resources Representative or to Employee Relations at (860) 277-5582.

ADDITIONAL INFORMATION

This Internal Dispute Resolution Procedure is a sequential process which stops whenever the individual bringing forward a perceived problem accepts a decision at one of the interim steps. Decisions concerning terminations, promotions and disciplinary actions are typical types of issues raised. This process ensures prompt, confidential resolution of such issues. Employees who wish to avail themselves of the process will not be subject to any retaliatory action by management.

NO DISCIPLINARY ACTION OR OTHER MANAGEMENT DECISION WILL BE POSTPONED AS A RESULT OF THE PRESENTATION OF A DISPUTE BY THE EMPLOYEE.

Manager levels and titles will be clarified by your individual operating unit.

The Dispute Resolution Procedure does not constitute, nor should be construed to constitute, a waiver by Travelers of its rights under the "employment at will" doctrine; nor does it afford employees or former employees any rights or remedies that individuals do not otherwise have under applicable law.

FOR FURTHER INFORMATION AND DISPUTE RESOLUTION PROCEDURE FORMS, PLEASE CONTACT YOUR HUMAN RESOURCES REPRESENTATIVE.

APPENDIX C: TRAVELERS EMPLOYMENT ARBITRATION POLICY

STATEMENT OF INTENT

Travelers values each of its employees and looks forward to good relations with, and among, all of its employees. Occasionally, however, disagreements may arise between an individual employee and Travelers, or between employees in a context that involves Travelers. Travelers believes that the resolution of such disagreements will be best accomplished by internal dispute resolution and, where that fails, by arbitration conducted under the auspices of the American Arbitration Association. For these reasons, Travelers has adopted this Employment Arbitration Policy ("Policy"). The Policy applies to all persons employed by Travelers as of January 1, 2001 and all employees joining Travelers Insurance after that date.

This Policy does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Employment with Travelers is a voluntary relationship for no definite period of time and nothing in this Policy or any other company document constitutes an express or implied contract of employment for any definite period of time. This Policy does not constitute, nor should it be construed to constitute, a waiver by Travelers of its rights under the "employment-at-will" doctrine, nor does it afford an employee or former employee any rights or remedies not otherwise available under applicable law.

SCOPE OF THE POLICY

The Policy makes arbitration the required and exclusive forum for the resolution of all employment disputes based on legally protected rights (i.e., statutory, contractual or common law rights) that may arise between an employee or former employee and Travelers or its current and former parents, subsidiaries and affiliates and its and their current and former officers, directors, employees, and agents (and that are not resolved by the internal dispute resolution procedure), including without limitation claims, demands or actions under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1991, the Age Discrimination in Employment Act of 1967, the Elder Worker Benefit Protection Act of 1990, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Equal Pay Act of 1963, the Employee Retirement Income Security Act of 1974, and all amendments thereto, and any other federal, state or local statute, regulation or common law doctrine regarding employment discrimination, conditions of employment or termination of employment.

The only disputes not covered by the Policy are claims that an employee or former employee may have regarding workers' compensation or unemployment compensation benefits. Nothing in this Policy shall prevent either party from seeking from any court of competent jurisdiction injunctive relief in aid of arbitration. The Policy does not exclude the National Labor Relations Board from jurisdiction over disputes covered by the National Labor Relations Act. Similarly, this Policy does not exclude the jurisdiction of the Equal Employment Opportunity Commission (the "EEOC") and/or state and local human rights agencies to investigate alleged violations of the laws enforced by the EEOC and/or these agencies.

This Policy does not require that Travelers institute arbitration, nor is it required to follow the steps of the dispute resolution procedure before taking disciplinary action of any kind, including termination.¹ However, if an employee disagrees with any such disciplinary action and believes that such action violated his or her legally protected rights, he or she may institute proceedings in accordance with the Policy. The results of the arbitration process are final and binding on the employee and Travelers Insurance.

Certain employees or former employees are subject to the arbitration requirements of the National Association of Securities Dealers, Inc. ("NASD") or the New York Stock Exchange, Inc. ("NYSE"). This Policy applies to any such person only to the extent that (i) Travelers waives its right to compel arbitration of such person's claim(s) to NASD or NYSE arbitration, (ii) such person's claim(s) are not eligible for submission to NASD or NYSE arbitration, or (iii) the NASD or NYSE declines to accept such person's claim(s) for arbitration.

ARBITRATION RULES AND PROCEDURES

The following rules and procedures are based on, and largely incorporate, the Employment Dispute Resolution Rules (the "Rules") of the American Arbitration Association (the "AAA"). Travelers Insurance has modified and expanded these rules and procedures in certain respects. In particular provisions regarding fees and costs have been modified to provide that many of the costs typically shared by the parties will be borne by Travelers. In addition, provisions permitting limited discovery have been added to insure equal access to relevant information.

1. Initiation of Arbitration Proceeding

To initiate arbitration you must send a written demand for arbitration to W. Douglas Willett, Senior Vice President, Human Resources of Travelers. The demand must be received by W. Douglas Willett within the time period provided by the statute of limitations applicable to the claim(s) set forth in the demand.

The demand shall set forth a statement of the nature of the dispute, including the alleged act or omission at issue; the names of all persons involved in the dispute; the amount in controversy, if any; and the remedy sought. Within thirty (30) calendar days of receiving such demand, or as soon as possible thereafter, Travelers shall file the demand with the appropriate office of the AAA.

2. Appointment of Neutral Arbitrator

The AAA shall appoint one neutral arbitrator from its Employment Dispute Resolution Roster unless both parties request that a panel of three (3) arbitrators be appointed. If the parties cannot agree upon the number of arbitrators, the AAA shall have the authority to determine the number of arbitrators. In the event a panel of arbitrators is appointed, all decisions of the panel must be by a majority and the use of the word "arbitrator" shall refer to the panel. It is the intent of Travelers that the prospective arbitrators be diverse, experienced, knowledgeable with respect to employment related claims, neutral, and duly qualified to serve as an arbitrator under the AAA's Rules.

The arbitrator shall be appointed in the following manner:

- (a) immediately after the filing of the demand, the AAA shall submit to each party an identical list of proposed arbitrators;
- (b) each party shall then have ten (10) business days from the mailing date of the list to cross off any two (2) names to which the party objects, number the remaining names in order of preference and return the list to the AAA;
- (c) if a party does not return the list within the time specified, all persons on the list shall be deemed acceptable to that party; and
- (d) the AAA shall invite the acceptance of the arbitrators remaining on the list in the order of preference specified by the parties to the extent the order can be reconciled by the AAA.

In the event the parties fail to agree on any of the persons named, or if an acceptable arbitrator is unwilling to act, the AAA shall issue additional lists.

3. Qualifications of Neutral Arbitrator

No person shall serve as a neutral arbitrator in any matter in which that person has any financial or personal interest in the result of the proceeding. Prior to accepting appointment the prospective arbitrator shall disclose any circumstance likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of such information, the AAA will either replace that person or communicate the information to the parties for comment. Thereafter, the AAA may disqualify that person and its decision shall be conclusive. Vacancies shall be filled in accordance with Paragraph 2 above.

4. Vacancies

The AAA is authorized to substitute another arbitrator if a vacancy occurs or if an appointed arbitrator is unable to serve promptly.

5. Proceedings

The hearing shall be conducted by the arbitrator in whatever manner will most expeditiously permit full presentation of evidence and arguments of the parties. The arbitrator shall set the date, time and place of the hearing, notice of which must be given to the parties by the AAA at least thirty (30) calendar days in advance unless the parties agree otherwise. In the event the hearing cannot reasonably be completed in one day, the arbitrator will schedule the hearing to be continued on a mutually convenient date.

6. Representation

Any party may be represented by an attorney or other representative (excluding any company supervisory employee) or by him or herself. For an employee or former employee without representation, the AAA will, upon request, provide reference to institutions which might offer assistance.

7. Confidentiality of and Attendance at Hearing

The arbitrator shall maintain the confidentiality of the hearings unless the law provides to the contrary. The arbitrator shall have the authority to exclude witnesses, other than a party, from the hearing during the testimony of any other witness. The arbitrator shall also have the authority to decide whether any person who is not a witness may attend the hearing.

8. Postponement

The arbitrator for good cause shown may postpone any hearing upon the request of a party or upon the arbitrator's own initiative, and shall also grant such postponement when all of the parties agree thereto.

9. Oaths

Before proceeding with the first hearing, each arbitrator may take an oath of office and, if required by law, shall do so. The arbitrator may require witness to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

10. Stenographic Record

There shall be no stenographic record of these proceedings unless either party requests it. In the event a party requests a stenographic record, that party shall bear the cost of such a record. If both parties request a stenographic record, the cost shall be borne equally by the parties.

11. Arbitration in the Absence of a Party

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice fails to be present or fails to obtain a postponement. An award shall not be made solely on the default of a party. The arbitrator shall require the party who is present to submit such evidence as the arbitrator may require for the making of the award.

12. Discovery

Each party shall be entitled to propound and serve upon the other party one set of interrogatories (limited to the identification of potential witnesses) and one set of requests for the production of documents in a form consistent with the Federal Rules of Civil Procedure. Upon the request of a party, the arbitrator may order further discovery consistent with the Rules of the AAA and the expedited nature of arbitration.

13. Pre-Hearing Motions

The arbitrator shall be authorized to consider and rule upon pre-hearing motions, including dispositive motions.

14. Evidence

The arbitrator shall be the judge of the relevance and materiality of the evidence offered and conformity to legal rules of evidence shall not be necessary.

15. Evidence by Affidavit and Filing of Documents

The arbitrator may receive and consider the evidence of witnesses by affidavit, but shall give it only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission. All documents to be considered by the arbitrator shall be filed at the hearing.

16. Closing of Hearing

The arbitrator shall ask whether the parties have any further proof to offer or witnesses to be heard. Upon receiving negative replies, or if satisfied that the record is complete, the arbitrator shall declare the hearing closed and the minutes thereof shall be recorded.

17. Reopening of Hearing

The hearing may be reopened on the arbitrator's initiative or upon application of a party, at any time before the award is made. The arbitrator may reopen the hearing and shall have fourteen (14) days from the closing of the reopened hearing within which to make an award.

18. Waiver of Procedures

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these procedures has not been complied with, and who fails to state objections thereto in writing, shall be deemed to have waived the right to object.

19. Time of Award

The award shall be made promptly by the arbitrator unless otherwise agreed by the parties or specified by law. The arbitrator shall be instructed to make the award within thirty (30) days of the close of the hearing or as soon as possible thereafter.

20. Award

(a) Form. The award shall be in writing and shall be signed by the arbitrator. If either party requests, the arbitrator shall issue an opinion in writing, which shall set forth in summary form the reasons for the arbitrator's determination. All awards shall be executed in the manner required by law. The award shall be final and binding upon the employee and Travelers, and judicial review shall be limited as provided by law.

(b) Scope of Relief. The arbitrator shall be governed by applicable federal, state and/or local law. Furthermore, the arbitrator shall be bound by applicable company policies and procedures and shall not have the authority to alter or otherwise modify the parties at will relationship or substitute his or her judgment for the lawful business judgment of company management. The arbitrator shall have the authority to award compensatory damages and injunctive relief to the extent permitted by applicable law. The arbitrator shall not have the authority to award punitive or exemplary damages or attorneys' fees except where expressly provided by applicable statute (e.g., punitive damages under the Civil Rights Act of 1991). The arbitrator shall not have the authority to make any award that is arbitrary and capricious or to award to Travelers the costs of the arbitration that it is otherwise required to bear under this policy.

21. Delivery of Award to Parties

The parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail addressed to a party or its representative at the last known address via certified mail, return receipt, personal service of the award, or the filing of the award in any manner that is permitted by law.

22. Enforcement

The award of the arbitrator may be enforced under the terms of the Federal Arbitration Act (Title 9 U.S.C.) and/or under the law of any state to the maximum extent possible. If a court determines that the award is not completely enforceable, it shall be enforced and binding on both parties to the maximum extent permitted by law. If any part of this procedure is held to be void or unenforceable, the remainder of the procedure will be enforceable and any part may be severed from the remainder as appropriate.

23. Judicial Proceedings and Exclusion of Liability

- (a) Neither the AAA nor any arbitrator in a proceeding under these procedures is a necessary party in judicial proceedings relating to the arbitration.
- (b) Parties to these procedures shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

24. Expenses and Fees

Unless otherwise precluded by applicable law, expenses and fees shall be allocated as follows:

- (a) Filing Fees. Travelers shall pay any filing fee required by the AAA.
- (b) Hearing Fees and Arbitrator Fees. Travelers shall pay the hearing fee and arbitrator fee for the hearing.
- (c) Postponement/Cancellation Fees. Postponement and cancellation fees shall be payable, at the discretion of the arbitrator, by the party causing the postponement or cancellation.
- (d) Other Expenses. The expenses of witnesses shall be paid by the party requiring the presence of such witnesses. All other ordinary and reasonable expenses of the arbitration, including hearing room expenses, travel expenses of the arbitrator, AAA representatives, and any witness produced at the arbitrator's direction, shall be paid completely by Travelers Insurance.
- (e) Legal Fees and Expenses. Each side shall pay its own legal fees and expenses subject to Paragraph 20(b) above.

The allocation of expenses as provided for in items (a) through (d) may not be disturbed by the arbitrator except where the arbitrator determines that a party's claims were frivolous or were asserted in bad faith.

25. Serving of Notice

Any parties, notices or process necessary or proper for the initiation or continuation of an arbitration under these procedures; for any court action in connection therewith; or for the entry of judgment on an award made under these procedures may be served on a party by mail addressed to the party or its representative at the last known address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard thereto has been granted to the party. The AAA and the parties may also use facsimile transmission, telex, telegram, or other written forms of electronic communication to give the notices required by these procedures, provided that such notice is confirmed by the telephone or subsequent mailing to all affected parties.

26. Time Period for Arbitration

Any proceeding under this procedure must be brought within the time period provided for within the statute(s) of limitations applicable to the claims asserted by the claimant.

27. Amendment or Termination of Arbitration Policy

Travelers reserves the right to revise, amend, modify or discontinue the Policy at any time in its sole discretion. Such amendments may be made by publishing them in the Employee Handbook or by separate release to employees and shall be effective 30 calendar days after such amendments are provided to employees. Your continuation of employment after receiving such amendments shall be deemed acceptance of the amended terms.

28. Interpretation and Application of Procedure

The arbitrator shall interpret and apply these procedures insofar as they relate to the arbitrator's powers and duties. All other procedures shall be interpreted and applied by the AAA.

Nothing in this provision shall be construed to negate the mutuality of this agreement to arbitrate, and Travelers explicitly agrees to arbitrate, pursuant to this Policy, any disputed disciplinary action after it has been taken.

EXHIBIT H

TRAVELERS

HANDBOOK FOR EMPLOYEES

A GUIDE TO
POLICIES, PROGRAMS
AND PRACTICES



The information in this Handbook is intended to be a general summary of some of the policies and benefits of Travelers and its affiliated companies. The Company, for any reason, may unilaterally, in its sole discretion, create, amend, supplement, modify or eliminate any benefits, rules or policies without prior notice to employees, except for the Employment Arbitration Policy. The Company, for any reason, may unilaterally, in its sole discretion, create, amend, supplement, modify, or eliminate the Employment Arbitration Policy. Any such change to the Arbitration Policy shall be effective 30 days after you receive notice of such change. In the event of any question or conflict between the brief overview of benefits in this Handbook, the information in the Summary Plan Descriptions or the Plan documents themselves, the respective formal plan documents and current laws shall govern. The Company also reserves the right to modify or cancel benefit programs, premiums and/or contributions and coverage continuation at any time without prior notice to participants.

This Handbook does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Notwithstanding any statements in this Handbook, employment at Travelers is a voluntary relationship for no definite period of time and either you or Travelers may terminate the relationship at any time with or without reason. No Travelers manager or other employee at the Company has the authority to make a commitment of guaranteed or continued employment to you and no Travelers publication should be understood to make any such commitment.

NOTHING IN THIS HANDBOOK CONSTITUTES AN EXPRESSED OR IMPLIED CONTRACT OF EMPLOYMENT FOR ANY DEFINITE PERIOD OF TIME. TRAVELERS RETAINS THE RIGHT TO DECREASE AN EMPLOYEE'S COMPENSATION AND/OR BENEFITS, TRANSFER, TERMINATE OR DEMOTE AN EMPLOYEE, OR OTHERWISE CHANGE THE TERMS OR CONDITIONS OF ANY EMPLOYEE'S EMPLOYMENT WITH THE COMPANY.

IMPORTANT: THIS HANDBOOK CONTAINS A PROVISION WHICH REQUIRES YOU TO SUBMIT EMPLOYMENT RELATED DISPUTES TO BINDING ARBITRATION. PLEASE READ IT CAREFULLY. NO OTHER PROVISION IN THIS HANDBOOK IS INTENDED TO CONSTITUTE A WAIVER, NOR SHOULD BE CONSTRUED TO CONSTITUTE A WAIVER, OF THE COMPANY'S RIGHTS TO COMPEL ARBITRATION OF EMPLOYMENT RELATED DISPUTES.

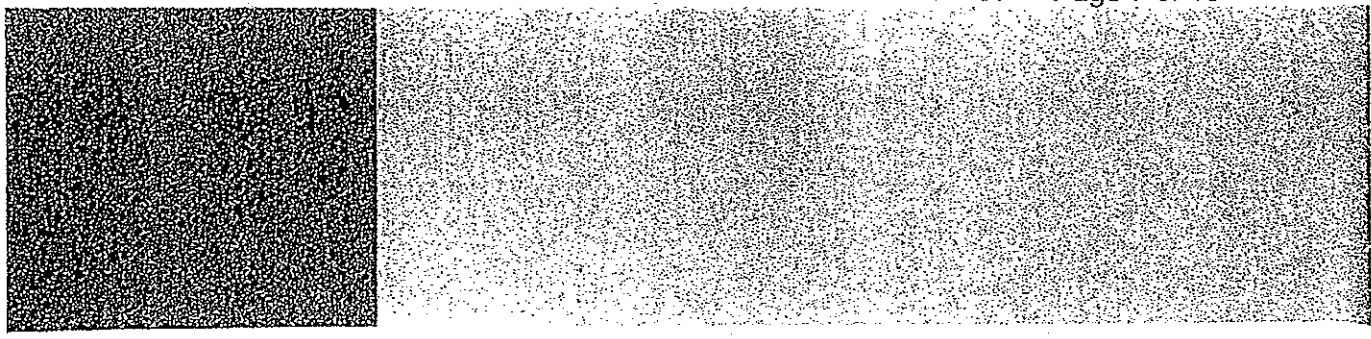
If you have any questions as to the interpretation or application of any information in this Handbook, you are encouraged to discuss them with your manager or your Human Resources representative.

2. GETTING YOUR CONCERNS ADDRESSED

Misunderstandings or conflicts can arise in any organization. To maintain effective and efficient working relations, it is important that such matters be resolved before serious problems develop. The Company has developed an impartial and objective process for investigating and resolving employment disputes to ensure that all employees have the opportunity to identify and communicate concerns early.

THE FOLLOWING ARE ADDRESSED IN THIS SECTION:

1. Resolution of Employee Concerns and Complaints
2. Internal Dispute Resolution Procedure
3. Travelers Employment Arbitration Policy
4. Employee Infoline



We believe that any employment-related issues which may arise can be resolved fairly and quickly through these alternative dispute resolution procedures.

1. RESOLUTION OF EMPLOYEE CONCERNS AND COMPLAINTS

Our procedures are divided into two parts. First, an internal procedure, the *Internal Dispute Resolution Procedure*, which allows you to seek review of any decision regarding your employment or termination of your employment which you think is unfair. Second, in the unusual situation when this procedure does not fully resolve an employment-related dispute, you and we agree that within one year of the date the dispute arose, any remaining disputes must be submitted to binding arbitration.

2. INTERNAL DISPUTE RESOLUTION PROCEDURE (IDR)

Most disputes resolve themselves through open and timely discussions with your Manager. However, should a situation persist that you believe needs resolution, the procedure described in Appendix B may be used to bring the complaint to management's attention in a more formal way. The procedure provides you with an objective and fair way to have your concerns addressed. The process includes review and appeal steps to ensure a thorough and fair review. This internal process is designed to help you communicate effectively with your manager regarding your concerns.

Contact your Manager or Department Human Resources Representative for more information.

3. TRAVELERS EMPLOYMENT ARBITRATION POLICY

If the Internal Dispute Resolution Procedure does not resolve the concern, the dispute may be submitted to binding arbitration in accordance with Travelers Employment Arbitration Policy. Arbitration is an essential element of your employment relationship and is a condition of your employment. Please see Appendix C of this handbook for a detailed description of Travelers Insurance Employment Arbitration Policy. If you have any questions, contact your Manager or Human Resources Representative.

4. EMPLOYEE INFOLINE

We, at the Company, place a high value on honest and ethical business behavior. As a means of demonstrating our commitment to supporting our employees' personal and professional integrity, we have created *Employee Infoline*. The *Employee Infoline* is a generic Company-wide 800 phone number that will enable employees to confidentially or anonymously voice their concerns, raise questions, and/or ask any business, moral or ethical questions that may arise in the course of their business day. The *Employee Infoline* provides an alternative in instances where employees prefer to voice their concerns outside normal management channels.



Employee Infoline
1-800-842-8597

APPENDIX B: TRAVELERS INTERNAL DISPUTE RESOLUTION PROCEDURE

Travelers is committed to fair and equitable employment practices. We recognize that misunderstandings or conflicts can and do arise in the course of daily business relationships. While most situations resolve themselves naturally, there are times when an employee may wish to seek review of an employment-related action or decision. The Dispute Resolution Procedure is an impartial process by which employees may request resolution of any employment-related concern.

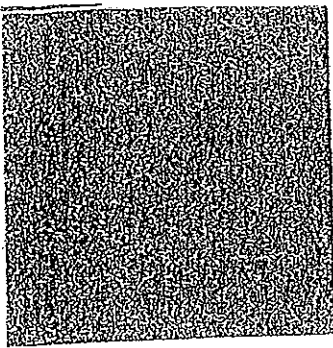
STEP 1: Employees are encouraged to first discuss informally any concern they have with their immediate manager prior to initiating a formal review. However, if this discussion is not successful from the employee's point of view, the concern should be submitted in writing within thirty (30) calendar days of the incident to their manager with a copy to their Human Resources Representative. The manager has twenty (20) working days to investigate the claim and respond to the employee in writing.

STEP 2: If the employee is not satisfied with the response in Step 1, he/she may submit an appeal to the next level manager within ten (10) working days of receiving an answer from Step 1, with a copy to the Human Resources Representative. A written response is given to the employee within twenty (20) working days after the discussion.

STEP 3: If the employee is not satisfied with the response in Step 2, he/she may submit an appeal to the appropriate Senior Manager in the business unit within ten (10) working days of receiving an answer from step 2, with a copy to the Senior Human Resources Manager in the business unit. The Senior Manager will consult with the Senior Human Resources Manager. At the conclusion of this step, the parties shall agree that all facts, evidence, information, etc. relating to the dispute have been brought forward. The Senior Manager shall issue a written response to the employee within twenty (20) working days after the discussion.

STEP 4: If the employee is not satisfied with the response in Step 3, he/she may submit an appeal to the Senior Vice President, Human Resources, within ten (10) working days of receiving an answer from Step 3. The employee will receive a written response within twenty (20) working days from receipt of the appeal. This step is the final level of appeal in the internal Dispute Resolution Procedure.

If the dispute is still not resolved after Step 4, and the claim is based upon legally protected rights (i.e. statutory, contractual or common law rights), the employee is entitled to request arbitration in accordance with the Travelers Employment Arbitration Policy. The only disputes not covered by the Policy are claims that an employee or former employee may have regarding workers' compensation or unemployment compensation benefits. Nothing in this Policy shall prevent either party from seeking from any court of competent jurisdiction injunctive relief in aid of arbitration. The Policy does not exclude the National Labor Relations Board from jurisdiction over disputes covered by the National Labor Relations Act. Similarly, this Policy does not exclude the jurisdiction of the Equal Employment Opportunity Commission (the "EEOC") and/or state and local human rights agencies to investigate alleged violations of the laws enforced by the EEOC and/or these agencies.



TERMINATION

An employee may appeal a termination within thirty (30) calendar days. The appeal will automatically progress to Step 3 of the process.

FIELD OPERATIONS

At times it may be impractical to arrange face-to-face meetings within the specified time limits of the program. In these circumstances, the Employee Relations Unit may make modifications to the process as necessary and appropriate.

EXCEPTIONS

The existing procedures for reporting alleged incidents of sex discrimination (including sexual harassment), racial discrimination, age discrimination, disability discrimination and other illegal forms of discrimination will remain in place to provide the maximum confidentiality and privacy. Such complaints may be raised directly to the department Human Resources Representative or to Employee Relations at (860) 277-5582.

ADDITIONAL INFORMATION

This internal Dispute Resolution Procedure is a sequential process which stops whenever the individual bringing forward a perceived problem accepts a decision at one of the interim steps. Decisions concerning terminations, promotions and disciplinary actions are typical types of issues raised. This process ensures prompt, confidential resolution of such issues. Employees who wish to avail themselves of the process will not be subject to any retaliatory action by management.

NO DISCIPLINARY ACTION OR OTHER MANAGEMENT DECISION WILL BE POSTPONED AS A RESULT OF THE PRESENTATION OF A DISPUTE BY THE EMPLOYEE.

Manager levels and titles will be clarified by your individual operating unit.

The Dispute Resolution Procedure does not constitute, nor should be construed to constitute, a waiver by Travelers of its rights under the "employment at will" doctrine; nor does it afford employees or former employees any rights or remedies that individuals do not otherwise have under applicable law.

**FOR FURTHER INFORMATION AND DISPUTE RESOLUTION PROCEDURE FORMS,
PLEASE CONTACT YOUR HUMAN RESOURCES REPRESENTATIVE.**

APPENDIX C: TRAVELERS EMPLOYMENT ARBITRATION POLICY

STATEMENT OF INTENT

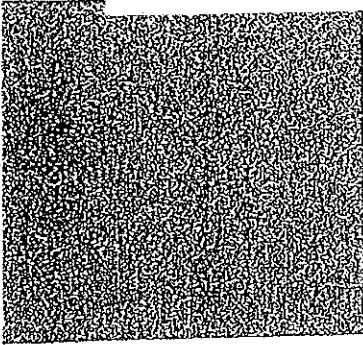
Travelers values each of its employees and looks forward to good relations with, and among, all of its employees. Occasionally, however, disagreements may arise between an individual employee and Travelers, or between employees in a context that involves Travelers. Travelers believes that the resolution of such disagreements will be best accomplished by internal dispute resolution and, where that fails, by arbitration conducted under the auspices of the American Arbitration Association. For these reasons, Travelers has adopted this Employment Arbitration Policy ("Policy"). The Policy applies to all persons employed by Travelers as of January 1, 2001 and all employees joining Travelers Insurance after that date.

This Policy does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Employment with Travelers is a voluntary relationship for no definite period of time and nothing in this Policy or any other company document constitutes an express or implied contract of employment for any definite period of time. This Policy does not constitute, nor should it be construed to constitute, a waiver by Travelers of its rights under the "employment-at-will" doctrine; nor does it afford an employee or former employee any rights or remedies not otherwise available under applicable law.

SCOPE OF THE POLICY

The Policy makes arbitration the required and exclusive forum for the resolution of all employment disputes based on legally protected rights (i.e., statutory, contractual or common law rights) that may arise between an employee or former employee and Travelers or its current and former parents, subsidiaries and affiliates and its and their current and former officers, directors, employees, and agents (and that are not resolved by the internal dispute resolution procedure), including without limitation claims, demands or actions under Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1991, the Age Discrimination in Employment Act of 1967, the Older Worker Benefit Protection Act of 1990, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Equal Pay Act of 1963, the Employee Retirement Income Security Act of 1974, and all amendments thereto, and any other federal, state or local statute, regulation or common law doctrine regarding employment discrimination, conditions of employment or termination of employment.

The only disputes not covered by the Policy are claims that an employee or former employee may have regarding workers' compensation or unemployment compensation benefits. Nothing in this Policy shall prevent either party from seeking from any court of competent jurisdiction injunctive relief in aid of arbitration. The Policy does not exclude the National Labor Relations Board from jurisdiction over disputes covered by the National Labor Relations Act. Similarly, this Policy does not exclude the jurisdiction of the Equal Employment Opportunity Commission (the "EEOC") and/or state and local human rights agencies to investigate alleged violations of the laws enforced by the EEOC and/or these agencies.



This Policy does not require that Travelers institute arbitration, nor is it required to follow the steps of the dispute resolution procedure before taking disciplinary action of any kind, including termination.¹ However, if an employee disagrees with any such disciplinary action and believes that such action violated his or her legally protected rights, he or she may institute proceedings in accordance with the Policy. The results of the arbitration process are final and binding on the employee and Travelers Insurance.

Certain employees or former employees are subject to the arbitration requirements of the National Association of Securities Dealers, Inc. ("NASD") or the New York Stock Exchange, Inc. ("NYSE"). This Policy applies to any such person only to the extent that (i) Travelers waives its right to compel arbitration of such person's claim(s) to NASD or NYSE arbitration, (ii) such person's claim(s) are not eligible for submission to NASD or NYSE arbitration, or (iii) the NASD or NYSE declines to accept such person's claim(s) for arbitration.

ARBITRATION RULES AND PROCEDURES

The following rules and procedures are based on, and largely incorporate, the Employment Dispute Resolution Rules (the "Rules") of the American Arbitration Association (the "AAA"). Travelers Insurance has modified and expanded these rules and procedures in certain respects. In particular provisions regarding fees and costs have been modified to provide that many of the costs typically shared by the parties will be borne by Travelers. In addition, provisions permitting limited discovery have been added to insure equal access to relevant information.

1. Initiation of Arbitration Proceeding

To initiate arbitration you must send a written demand for arbitration to W. Douglas Willett, Senior Vice President, Human Resources of Travelers. The demand must be received by W. Douglas Willett within the time period provided by the statute of limitations applicable to the claim(s) set forth in the demand.

The demand shall set forth a statement of the nature of the dispute, including the alleged act or omission at issue; the names of all persons involved in the dispute; the amount in controversy, if any; and the remedy sought. Within thirty (30) calendar days of receiving such demand, or as soon as possible thereafter, Travelers shall file the demand with the appropriate office of the AAA.

2. Appointment of Neutral Arbitrator

The AAA shall appoint one neutral arbitrator from its Employment Dispute Resolution Roster unless both parties request that a panel of three (3) arbitrators be appointed. If the parties cannot agree upon the number of arbitrators, the AAA shall have the authority to determine the number of arbitrators. In the event a panel of arbitrators is appointed, all decisions of the panel must be by a majority and the use of the word "arbitrator" shall refer to the panel. It is the intent of Travelers that the prospective arbitrators be diverse, experienced, knowledgeable with respect to employment related claims, neutral, and duly qualified to serve as an arbitrator under the AAA's Rules.

The arbitrator shall be appointed in the following manner:

- (a) immediately after the filing of the demand, the AAA shall submit to each party an identical list of proposed arbitrators;
- (b) each party shall then have ten (10) business days from the mailing date of the list to cross off any two (2) names to which the party objects, number the remaining names in order of preference and return the list to the AAA;
- (c) if a party does not return the list within the time specified, all persons on the list shall be deemed acceptable to that party; and
- (d) the AAA shall invite the acceptance of the arbitrators remaining on the list in the order of preference specified by the parties to the extent the order can be reconciled by the AAA.

In the event the parties fail to agree on any of the persons named, or if an acceptable arbitrator is unwilling to act, the AAA shall issue additional lists.

3. Qualifications of Neutral Arbitrator

No person shall serve as a neutral arbitrator in any matter in which that person has any financial or personal interest in the result of the proceeding. Prior to accepting appointment the prospective arbitrator shall disclose any circumstance likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of such information, the AAA will either replace that person or communicate the information to the parties for comment. Thereafter, the AAA may disqualify that person and its decision shall be conclusive. Vacancies shall be filled in accordance with Paragraph 2 above.

4. Vacancies

The AAA is authorized to substitute another arbitrator if a vacancy occurs or if an appointed arbitrator is unable to serve promptly.

5. Proceedings

The hearing shall be conducted by the arbitrator in whatever manner will most expeditiously permit full presentation of evidence and arguments of the parties. The arbitrator shall set the date, time and place of the hearing, notice of which must be given to the parties by the AAA at least thirty (30) calendar days in advance unless the parties agree otherwise. In the event the hearing cannot reasonably be completed in one day, the arbitrator will schedule the hearing to be continued on a mutually convenient date.

6. Representation

Any party may be represented by an attorney or other representative (excluding any company supervisory employee) or by him or herself. For an employee or former employee without representation, the AAA will, upon request, provide reference to institutions which might offer assistance.

7. Confidentiality of and Attendance at Hearing

The arbitrator shall maintain the confidentiality of the hearings unless the law provides to the contrary. The arbitrator shall have the authority to exclude witnesses, other than a party, from the hearing during the testimony of any other witness. The arbitrator shall also have the authority to decide whether any person who is not a witness may attend the hearing.

8. Postponement

The arbitrator for good cause shown may postpone any hearing upon the request of a party or upon the arbitrator's own initiative, and shall also grant such postponement when all of the parties agree thereto.

9. Oaths

Before proceeding with the first hearing, each arbitrator may take an oath of office and, if required by law, shall do so. The arbitrator may require witness to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

10. Stenographic Record

There shall be no stenographic record of these proceedings unless either party requests it. In the event a party requests a stenographic record, that party shall bear the cost of such a record. If both parties request a stenographic record, the cost shall be borne equally by the parties.

11. Arbitration in the Absence of a Party

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice fails to be present or fails to obtain a postponement. An award shall not be made solely on the default of a party. The arbitrator shall require the party who is present to submit such evidence as the arbitrator may require for the making of the award.

12. Discovery

Each party shall be entitled to propound and serve upon the other party one set of interrogatories (limited to the identification of potential witnesses) and one set of requests for the production of documents in a form consistent with the Federal Rules of Civil Procedure. Upon the request of a party, the arbitrator may order further discovery consistent with the Rules of the AAA and the expedited nature of arbitration.

13. Pre-Hearing Motions

The arbitrator shall be authorized to consider and rule upon pre-hearing motions, including dispositive motions.

14. Evidence

The arbitrator shall be the judge of the relevance and materiality of the evidence offered and conformity to legal rules of evidence shall not be necessary.

15. Evidence by Affidavit and Filing of Documents

The arbitrator may receive and consider the evidence of witnesses by affidavit, but shall give it only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission. All documents to be considered by the arbitrator shall be filed at the hearing.

16. Closing of Hearing

The arbitrator shall ask whether the parties have any further proof to offer or witnesses to be heard. Upon receiving negative replies, or if satisfied that the record is complete, the arbitrator shall declare the hearing closed and the minutes thereof shall be recorded.

17. Reopening of Hearing

The hearing may be reopened on the arbitrator's initiative or upon application of a party, at any time before the award is made. The arbitrator may reopen the hearing and shall have fourteen (14) days from the closing of the reopened hearing within which to make an award.

18. Waiver of Procedures

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these procedures has not been complied with, and who fails to state objections thereto in writing, shall be deemed to have waived the right to object.

19. Time of Award

The award shall be made promptly by the arbitrator unless otherwise agreed by the parties or specified by law. The arbitrator shall be instructed to make the award within thirty (30) days of the close of the hearing or as soon as possible thereafter.

20. Award

- (a) Form. The award shall be in writing and shall be signed by the arbitrator. If either party requests, the arbitrator shall issue an opinion in writing, which shall set forth in summary form the reasons for the arbitrator's determination. All awards shall be executed in the manner required by law. The award shall be final and binding upon the employee and Travelers, and judicial review shall be limited as provided by law.
- (b) Scope of Relief. The arbitrator shall be governed by applicable federal, state and/or local law. Furthermore, the arbitrator shall be bound by applicable company policies and procedures and shall not have the authority to alter or otherwise modify the parties at will relationship or substitute his or her judgment for the lawful business judgment of company management. The arbitrator shall have the authority to award compensatory damages and injunctive relief to the extent permitted by applicable law. The arbitrator shall not have the authority to award punitive or exemplary damages or attorneys' fees except where expressly provided by applicable statute (e.g., punitive damages under the Civil Rights Act of 1991). The arbitrator shall not have the authority to make any award that is arbitrary and capricious or to award to Travelers the costs of the arbitration that it is otherwise required to bear under this policy.

21. Delivery of Award to Parties

The parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail addressed to a party or its representative at the last known address via certified mail, return receipt, personal service of the award, or the filing of the award in any manner that is permitted by law.

22. Enforcement

The award of the arbitrator may be enforced under the terms of the Federal Arbitration Act (Title 9 U.S.C.) and/or under the law of any state to the maximum extent possible. If a court determines that the award is not completely enforceable, it shall be enforced and binding on both parties to the maximum extent permitted by law. If any part of this procedure is held to be void or unenforceable, the remainder of the procedure will be enforceable and any part may be severed from the remainder as appropriate.

23. Judicial Proceedings and Exclusion of Liability

- (a) Neither the AAA nor any arbitrator in a proceeding under these procedures is a necessary party in judicial proceedings relating to the arbitration.
- (a) Parties to these procedures shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

24. Expenses and Fees

Unless otherwise precluded by applicable law, expenses and fees shall be allocated as follows:

- (a) Filing Fees. Travelers shall pay any filing fee required by the AAA.
- (b) Hearing Fees and Arbitrator Fees. Travelers shall pay the hearing fee and arbitrator fee for the hearing.
- (c) Postponement/Cancellation Fees. Postponement and cancellation fees shall be payable, at the discretion of the arbitrator, by the party causing the postponement or cancellation.
- (d) Other Expenses. The expenses of witnesses shall be paid by the party requiring the presence of such witnesses. All other ordinary and reasonable expenses of the arbitration, including hearing room expenses, travel expenses of the arbitrator, AAA representatives, and any witness produced at the arbitrator's direction, shall be paid completely by Travelers Insurance.
- e) Legal Fees and Expenses. Each side shall pay its own legal fees and expenses subject to Paragraph 20(b) above.

The allocation of expenses as provided for in items (a) through (d) may not be disturbed by the arbitrator except where the arbitrator determines that a party's claims were frivolous or were asserted in bad faith.

25. Serving of Notice

Any parties, notices or process necessary or proper for the initiation or continuation of an arbitration under these procedures; for any court action in connection therewith; or for the entry of judgment on an award made under these procedures may be served on a party by mail addressed to the party or its representative at the last known address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard thereto has been granted to the party. The AAA and the parties may also use facsimile transmission, telex, telegram, or other written forms of electronic communication to give the notices required by these procedures, provided that such notice is confirmed by the telephone or subsequent mailing to all affected parties.

26. Time Period for Arbitration

Any proceeding under this procedure must be brought within the time period provided for within the statute(s) of limitations applicable to the claims asserted by the claimant.

27. Amendment or Termination of Arbitration Policy

Travelers reserves the right to revise, amend, modify or discontinue the Policy at any time in its sole discretion. Such amendments may be made by publishing them in the Employee Handbook or by separate release to employees and shall be effective 30 calendar days after such amendments are provided to employees. Your continuation of employment after receiving such amendments shall be deemed acceptance of the amended terms.

28. Interpretation and Application of Procedure

The arbitrator shall interpret and apply these procedures insofar as they relate to the arbitrator's powers and duties. All other procedures shall be interpreted and applied by the AAA.

Nothing in this provision shall be construed to negate the mutuality of this agreement to arbitrate, and Travelers explicitly agrees to arbitrate, pursuant to this Policy, any disputed disciplinary action after it has been taken.